

Medicare Prescription Drug, Improvement, and Modernization Act of 2003
Eligibility Determination for Low-Income Subsidies
Sections 1860D-14 and 103

Background

States currently conduct eligibility determinations for low-income individuals who may qualify to receive Medicaid or to participate in the Medicare Savings Program (QMB, SLMB, and QI-1). States, however, are not currently mandated in statute to do determinations as a condition of receiving Federal Financial Participation (FFP) for their Medicaid Programs. States receive 50% FFP for administrative expenses they incur in determining eligibility.

New Provisions in the Act

Eligibility Determination

- States are required as a condition of receiving any FFP to determine eligibility for premium and cost sharing subsidies for the new Medicare Part D prescription drug program. They are also required to provide the Secretary with information for low-income Medicare beneficiaries' verification of eligibility for the transitional assistance program of the drug card. States shall also determine eligibility for and offer enrollment into the Medicare Savings Program at the time they screen beneficiaries for Part D low-income subsidies. States shall provide the Secretary with eligibility determination information as may be required to carry out the part D benefit. States will receive the regular Medicaid matching payment for administrative costs for these activities.
- Eligibility for subsidy eligible individuals for low-income subsidies under Part D is to be determined by state Medicaid agencies or by the Social Security Administration. Determinations will be effective beginning with the month that a subsidy eligible beneficiary applied and the determination will remain effective for up to one year. Re-determinations and appeals for eligibility determinations by the state will follow existing re-determination and appeals set under each state's Medicaid Plan. The re-determinations and appeals for eligibility determinations by SSA will be determined by the Commissioner of SSA. The Commissioner will establish procedures for appeals similar to those in section 1631(c)(1)(A), which is the hearings and review process for disability.
- Income determinations will be conducted following SSI guidelines without applying 1902(r)(2) income disregards. With respect to resources, the Secretary may permit states to use the same asset or resource methodologies that are used to determine eligibility for a QMB individual (section 1905 (p)) so long as the methodology does not result in any significant differences in the number of individuals determined to be subsidy eligible under Part D.

Deeming of Eligibility for Low Income Subsidies

- Full-benefit dual eligibles and recipients of SSI benefits are deemed to be eligible for the low-income subsidies applicable to beneficiaries with incomes less than 135% FPL. The Secretary may also deem QMB's, SLMB's, and QI-1's as eligible for these low-income subsidies.

Model Application Form

The Secretary and the Commissioner of Social Security shall develop and disseminate to states a model, simplified application form and process for determination and verification of an eligible beneficiary's assets or resources. The application form shall consist of an attestation under penalty of perjury regarding the level of assets or resources and their valuation. The form will contain copies of recent statements from financial institutions in support of the application. Matters attested to in the application shall be subject to verification.